

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3706-01
Bill No.: HB 1423
Subject: Administration, Office of; Boards, Commissions, Committees, Councils; General Assembly; State Departments
Type: Original
Date: February 27, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(Unknown Exceeding \$100,000)	(Unknown Exceeding \$100,000)	(Unknown Exceeding \$100,000)
Total Estimated Net Effect on <u>All</u> State Funds	(Unknown Exceeding \$100,000)	(Unknown Exceeding \$100,000)	(Unknown Exceeding \$100,000)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Senate, Office of the Attorney General, Missouri Gaming Commission**, and the **Missouri Lottery Commission** did not respond to our fiscal impact request.

Officials from the **Office of the Governor, Office of the Lieutenant Governor, Missouri House of Representatives, State Auditor's Office, State Treasurer's Office, Office of the State Courts Administrator, Departments of Elementary and Secondary Education, Public Safety, Revenue, Higher Education, Economic Development, Agriculture, Public School and Non-Teacher School Employee Retirement Systems of Missouri, Missouri Consolidated Health Care Plan, Missouri Public Defender, Office of Prosecution Services, Missouri Ethics Commission**, and the **Missouri Tax Commission** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Department of Health and Senior Services (DOH)** assume the proposed legislation would not be expected to significantly impact its operations. DOH officials note if the proposal were to substantially impact its programs, they would request funding through the legislative process.

Officials from the **Department of Natural Resources** and the **Department of Mental Health** assume their agency would provide the information as requested in the proposal with utilizing existing resources.

Officials from the **Department of Corrections** assume unknown costs could result from passage of this proposal.

Officials from the **Department of Insurance** assume the fiscal impact of costs or savings to their agency are unknown and would depend on committee review and recommendations.

Officials from the **Department of Social Services (DSS)** assume if agencies are abolished, reorganized, or consolidated, this would result in substantial cost savings to the state. DSS also anticipates the costs associated with providing information to the commission would not be substantial.

Officials from the **Department of Conservation** assume the proposal could require significant staff time to prepare information for the commission if their agency is selected as a candidate for abolition.

ASSUMPTION (continued)

Officials from the **Department of Transportation** assume as a result of the uncertainties involved with this proposal, it is not possible to determine the fiscal impact.

Officials from the **Department of Labor and Industrial Relations (DOL)** note job development and placement programs, by Executive Order 99-03, were transferred from the Division of Employment Security within the Department of Labor and Industrial Relations to the Division of Workforce Development within the Department of Economic Development. DOL assumes their agency would need an appropriate amount from General Revenue funding to cover the duties of finding employment for displaced workers as a result of this proposal. DOL states the impact to General Revenue cannot be predicted.

Officials from the **Secretary of State's Office (SOS)** assume the proposal could result in the Sunset Advisory Committee (SAC) promulgate rules to implement the proposal and their actions could abolish or move other agency's rules. SOS assumes the rules, regulations and forms issued by the SAC as well as the rules of other agencies they might move, amend or abolish could require as many as 1018 pages in the Code of State Regulations. SOS notes for any given rule, roughly half again as many pages are published in the Missouri Register as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. SOS estimates the cost of a page in the Missouri Register and the Code of State Regulations to be \$23 and \$27, respectively. SOS estimates costs of \$62,607 for FY 2003. SOS states the impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple proposals pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decision to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Office of Administration (COA)** assume the proposal is based on the Texas Sunset Commission (TSC) which has a staff of 32 persons. COA notes the proposal authorizes the Commission to hire an executive director and staff for the executive director. In addition the proposal authorizes staff for the chairperson and vice chairperson. COA notes the TSC has been in place for a number of years and assumes the Missouri Commission would require a staff 1/3 the size of the TSC to implement the proposal. COA assumes the proposal would require long-range funding for the agency housing this commission and estimates costs to General Revenue for salaries, fringe benefits, expense and equipment, and other costs to be \$668,601 for FY 2003; \$792,450 for FY 2004; and \$813,449 for FY 2005.

Oversight assumes implementation of the proposal will require hiring a staff and associated

expenses in addition to expenses of the Commission members. **Oversight** assumes implementation
ASSUMPTION (continued)

of the proposal would result in unknown costs exceeding \$100,000 annually. **Oversight** assumes the potential for savings related to increased efficiencies are not directly attributable to the implementation of the proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE	<u>(Unknown Exceeding \$100,000)</u>	<u>(Unknown Exceeding \$100,000)</u>	<u>(Unknown Exceeding \$100,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal creates the Sunset Advisory Commission to review the effectiveness and necessity of state agencies. The commission is to consist of four members of the Senate and one public member appointed by the President Pro Tem of the Senate and four members of the House of Representatives and one public member appointed by the Speaker of the House of Representatives. Member qualifications, terms, term limits, removal, and officers are provided in the proposal. Members shall not receive compensation but shall be reimbursed for actual and necessary expenses.

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The commission shall employ an Executive Director to head the commission. The Executive DESCRIPTION (continued)

Director shall employ staff as needed to implement the proposal. The Chair and Vice Chair of the commission may employ a staff to work on matters related to commission activities. The commission may promulgate rules pursuant to Chapter 536, RSMo.

Before October 30, of any odd-numbered year prior to the year in which a state agency is abolished, the agency is to report to the commission information pertinent to criteria for evaluation set out in the proposal. Before September 1, of any even-numbered year prior to the year in which a state agency and its advisory committees are abolished, the commission is to consider whether a public need exists for continuation of the agency. Criteria for that consideration are set out in the proposal.

Between September 1 and December 1 of the calendar year prior to the year in which the state agency and its advisory committees are abolished, the commission is to conduct public hearings concerning, but not limited to, the information submitted by the agency.

During each regular legislative session, the commission is to present to the General Assembly and the Governor a report on the agencies and advisory committees scheduled to be abolished. The report is to include findings, recommendations, and any other information the commission deems necessary for a complete evaluation of the agencies and advisory committees. On the date the commission presents its report to the General Assembly, the commission shall present to the state auditor the commission's recommendations that do not require a statutory change to be put into effect. The state auditor shall examine the recommendations and, as part of the next scheduled audit of the agency, shall prepare a report on the manner in which the agency has implemented the recommendations.

During the legislative session, the staff of the commission is to monitor legislation affecting agencies which have been subject to commission review and report to the members of the commission on proposed changes which would modify prior commission recommendations.

The proposal provides procedures for agency and advisory committee termination, disposition of agency assets and indebtedness, and displacement of employees. The proposal authorizes subpoena power to the commission.

The proposal further requires each proposal filed in the House of Representatives that would create a new state agency having regulatory authority or a new advisory committee be forwarded to the commission. The commission is to review the proposed legislation to ascertain if the function of the agency or advisory committee could be administered by existing state agencies or advisory committees, is in the least restrictive form, requires adequate public input, and contains adequate

protection against conflict of interest within the agency or advisory committee. After review, the commission is to forward written comment on the legislation to the sponsor and to the chairperson
DESCRIPTION (continued)

of the committee to which the legislation is to be referred.

The commission is allowed to accept gifts, grants, and donations from any not-for-profit organization for the purpose of funding any commission activity described in the proposal. Such gifts, grants, and donations must be accepted in an open meeting by a majority of voting commission members and be appropriately documented.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Governor
Office of the Lieutenant Governor
Missouri House of Representatives
State Auditor's Office
State Treasurer's Office
Office of the State Courts Administrator
Public School and Non-Teacher School Employee Retirement Systems of Missouri
Missouri Consolidated Health Care Plan
Missouri Public Defender
Office of Prosecution Services
Missouri Ethics Commission
Missouri Tax Commission
Department of Elementary and Secondary Education
Department of Revenue
Department of Higher Education
Department of Economic Development
Department of Agriculture
Department of Health and Senior Services
Department of Natural Resources
Department of Mental Health
Department of Corrections
Department of Insurance
Department of Social Services

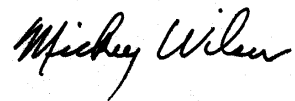
KLR:LR:OD (12/01)

Department of Conservation
Department of Transportation
Department of Labor and Industrial Relations
SOURCES OF INFORMATION

Secretary of State's Office
Office of Administration

NOT RESPONDING

Missouri Senate
Office of the Attorney General
Missouri Gaming Commission
Missouri Lottery Commission

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Acting Director

March 1, 2002